

18 May 2020

The Directors
93 Bridge Road Pty Ltd ATF
The Bridge Road Unit Trust
C/- Lane Associates
Castlereagh Street
Sydney NSW 2000

Sent via email: stephen.moore@robertsday.com.au

To Whom it May Concern,

Re: Bridge Place, Westmead - Economic Impacts

Atlas Urban Economics has been engaged to provide advice on the economic impacts of the proposed 'Bridge Place' vertical health village development at 93 Bridge Road, Westmead. This letter outlines the merits of the Project in response to the Department of Planning, Infrastructure and Environment's (DPIE) Priority Project Criteria (DPIE, 2020).

Background

Bridge Place is a planned 'vertical health village' within the Westmead Health and Education Precinct (the Precinct). Envisaged over several buildings up to 40 storeys, the development incorporates a mix of uses, including:

- A significant Build-to-Rent housing pilot including a mix of non-market and market housing:
 - 28,371sqm of build-to-rent housing (400 dwellings);
 - 2,262sqm of NDIS family housing (50 dwellings) as part of a partnership with the University of Sydney;
 - 10,990sqm of private housing (155 dwellings).
- A 7,600sqm medi-hotel providing step-up/step-down accommodation required by Westmead Public/Private Hospitals.
- A 1,000sqm community centre, new public playground and 3,400sqm of publicly accessible communal open space.
- 929sqm of floorspace suited for medical suites and a mix of retail (756sqm) and food and beverage (441sqm).

Planning for the Project has been underway for over 12 months with a planning proposal submitted to the City of Parramatta in January 2020. The planning proposal sought an increase in density (FSR) and building heights to facilitate the Project.

The Project stands as a significant 'shovel ready' initiative capable of proceeding to construction in a short turnaround as Australia enters a major economic slowdown due to the COVID-19 Pandemic. Social distancing initiatives aimed at slowing the spread of COVID-19 have included suspending international tourism and significant travel restrictions between Australia's states. Many businesses across sectors such as hospitality, sports and recreation, and transportation have been forced to either close or significantly alter their operating models.

At the time of writing and despite multibillion dollar stimulus and support packages, leading economists project unemployment to rise to 10% by as early as June, and Australia is expected to enter its first recession in three decades.

It's impossible to tell how long or severe the COVID-19 Pandemic or the associated economic implications will be, as the outcomes will depend on the ability to contain the spread of the outbreak, timeframes for developing and distributing a successful vaccine, and the effectiveness of government stimulus and support measures within Australia and globally. However, bringing forward shovel ready investment that does not impinge upon social distancing restrictions is a low risk and easily implementable measure by which to support jobs and incomes in local communities.

Employment Impacts

The economic activity supported by the Project is expected to facilitate:

- 1,853 (573 direct) FTE short term **construction jobs**.
 - Based on NSW's existing industry mix (ABS, 2016), the project would be expected to provide 33 (with 11 direct) FTE construction jobs for Indigenous Australians.
- 170 (98 direct) ongoing **operational FTE jobs** across a range of industries, including:
 - Sectors which have been hit hard by the COVID-19 pandemic (retail trade, accommodation and food services).
 - Key strategic sectors such as health care and social assistance.
 - Based on NSW's existing industry mix (ABS, 2016), the project would be expected to provide 3 (with 2 direct) FTE construction jobs for Indigenous Australians.

It is highlighted that the majority of direct employment facilitated by the Project would occur within the Parramatta LGA. While Parramatta is not traditionally an area of high unemployment, the current COVID-19 pandemic is having an extensive impact upon the local labour market. Analysis of detailed employment by industry by Atlas indicates that approximately 9,100 jobs (5% of total employment) is directly in sectors at high risk due to COVID-19 restrictions. The flow on impacts of COVID-19 restrictions will be significantly higher.

Strategic Implications

The Project aligns with the various state and local planning policies for the Westmead Health and Education Precinct and will leverage from the significant volume of State government infrastructure being planned and delivered.

The Project is considered to address several key objectives within the Central City District Plan (the District Plan) across the core themes of Infrastructure and Collaboration, Liveability and Productivity. Some of the key objectives within the District Plan which are addressed by the Project are detailed in **Table 1**.

Table 1: Assessment Against Select Planning Priorities, Central City District Plan

Theme	Planning Priority	Implications of the Project
Infrastructure and Collaboration	C1: Planning for a city supported by infrastructure	Planning Priority C1 looks to maximise land use responses to new public infrastructure. Westmead benefits from two major city-shaping transport infrastructure projects in Parramatta Light Rail and Sydney Metro West which will dramatically increase its accessibility to Greater Sydney. Additionally, the \$1 billion Westmead Hospital redevelopment by NSW Government will significantly improve the capacity of the health precinct. Located some 700m from the Westmead train station and Westmead Public Hospital, the Project is in a highly strategic position with the capability to maximise the investment being undertaken in the area.
Liveability	C5: Providing housing supply, choice and affordability with access to jobs, services and public transport	Supporting the delivery of both market and non-market (i.e. affordable, social, community) housing to meet current and future demand is central to Planning Priority C1. This housing is to be in areas proximate transport infrastructure, services and employment opportunities. The Greater Parramatta Growth Area (GPOP) is expected to facilitate much of the additional housing in the City. Located within GPOP, the Project is located within an area already designated for urban renewal. Specifically, the Project intends on delivering some 900 additional dwellings to address housing demand with over 40% of these being non-private dwellings.
Productivity	C7: Growing a stronger and more competitive Greater Parramatta C8: Delivering a more connected and competitive GPOP Economic Corridor C12: Supporting growth of targeted industry sectors	A key theme in Planning Priorities C7, C8 and C12 is the targeted growth of the Westmead Health and Education Precinct. Whilst planning for the growth Precinct is largely underway by the Westmead Alliance, much of this growth is expected in the medium-term. The Project has the potential to deliver employment generating floorspace within the Precinct in the short-term, including a medi-hotel. This would specifically address a chronic shortage of accommodation rooms within the Precinct which is impacting its transition towards an Innovation District.

Source: Atlas

Conclusion

The Project would deliver significant economic impacts through its construction activities and through increased levels of ongoing activity. The potential for fast-tracking the rezoning and subsequent redevelopment of Bridge Place Project would provide substantial economic stimulus.

The Project is considered an appropriate candidate for fast-tracking under DPIE's Priority Project Criteria given:

- The Project will deliver a substantial uptick in **employment**, facilitating some 1,853 FTE jobs during construction and 170 FTE jobs once operational.
- Planning for the Project is well-advanced and is considered '**shovel-ready**' pending rezoning and DA approval.
- The Project will deliver a wide array of **Public Benefits**, including:
 - 450 non-private dwellings including BTR dwellings and family housing for participants in NDIS in an area of very high demand (Westmead recorded a residential vacancy rate of 4.5% in March 2020).
 - A new 1,000sqm community centre, new public playground and 3,400sqm of publicly accessible communal open space.
- The Project has **strategic merit**, aligning with the key objectives of the Central City District Plan. Specifically, the Project seeks to maximise the significant amount of public infrastructure investment in the Westmead Precinct (including Parramatta Light Rail, Sydney Metro West and the Westmead Hospital Redevelopment) whilst also providing a tailored mix of uses which support Westmead's ongoing transition as an Innovation District.

The Parramatta LGA will be primary beneficiary of the economic activity supported by the Project. This will assist the LGA over the short-term given detailed employment analysis (Atlas, 2020) indicates that approximately 9,100 jobs (5% of total employment) across the Parramatta LGA is at high risk due to COVID-19 restrictions.

Given the current economic uncertainty surrounding the COVID-19 pandemic, bringing projects such as Bridge Place forward to help fill the gap in economic activity over the next 6-12 months represents a key avenue for local areas to support jobs and income for their communities. Economic activity from the project will help support livelihoods while sectors such as tourism, sports and hospitality are forced to close down or endure severely restricted operations.

We trust you find this analysis helpful. Please don't hesitate to contact the undersigned should you require further information or clarification.

Yours sincerely

Esther Cheong

Director

T: 02 8016 3864

E: esther.cheong@atlasurbaneconomics.com